

First-time Homebuyer Loan Programs Information Sheet

Minnesota Housing finances and advances affordable housing opportunities for low and moderate income Minnesotans to enhance quality of life and foster strong communities. We offer mortgage programs that provide affordable interest rate loans to eligible first-time homebuyers.

Why Choose Minnesota Housing?

- Below-market interest rates
- No extra fees or discount points
- Interest-free loans from \$3,000 to \$10,00 to help with downpayment and closing costs for eligible borrowers

To qualify, you must:

- Be a first-time homebuyer (or have not owned a home in the past three years)
- Meet the requirements for income and home purchase price limits
- Have acceptable credit

Minnesota Housing First-time Homebuyer Loan Programs

Minnesota Mortgage Program (MMP)

- Available statewide
- Below-market interest rate
- Downpayment and closing cost assistance available for Targeted Borrowers up to \$3,000
- Higher income limits

Community Activity Set-Aside (CASA)

- Available in participating communities
- Affordable interest rate
- Downpayment and closing cost assistance, available for eligible borrowers from \$4,500 up to \$10,000
- Purchase and repair option

Find A Participating Lender

Visit our website at www.mnhousing.gov, or call the Help Desk at 651.296.8215 or 800.710.8871. We can help you get the financing you need to buy that first home!



2011 Income Limits

To qualify for a Minnesota Housing first-time homebuyer loan, your Eligibility Income must not exceed:

Minnesota Mortgage Program			
Household	11-County Metro Area	Rochester MSA	Balance of State
1-4 Person	\$82,700	\$80,200	\$72,900
5 Person	\$89,350	\$86,650	\$78,750
6 Person	\$95,950	\$93,050	\$84,600

Community Activity Set-Aside Program			
Household	11-County Metro Area	Rochester MSA	Balance of State
1-4 Person	\$66,200	\$64,200	\$58,350
5 Person	\$71,500	\$69,350	\$63,050
6 Person	\$76,800	\$74,500	\$67,700

Income limits for larger households are available on the Minnesota Housing website under "Homebuyers", "Mortgage Loan Eligibility".

Interest Rates

Minnesota Housing offers below-market interest rates for our loan programs. Current interest rates can be found on our website at www.mnhousing.gov and are subject to change.

Home Cost Limits

The home you purchase must fall within the following limits:

If the property to be mortgaged is located in:	11-County Metro Area	Balance of State
	\$298,125	\$237,031

Cash To Close

The **Homeownership Assistance Fund (HAF)** and **HOME Homeowner Entry Loan Program (HOME HELP)** help low to moderate income first-time homebuyers who qualify for a Minnesota Housing loan by offering interest-free, deferred loans to help with downpayment and closing costs.

Homeownership Assistance Fund (HAF)

- To be eligible for HAF, the borrower must be eligible for the CASA program or eligible for MMP and meet one of the following criteria:
 - 60% of median income, OR
 - Purchasing a home in a MMP Spotlight Area (information located on our website at www.mnhousing.gov)
- Borrower must have \$1,000 of their own funds in the transaction and have limited assets in order to qualify
- Deferred interest-free loan up to \$4,500 to help with down payment and/or closing costs
- The loan must be fully repaid when the loan matures, the first mortgage is refinanced, or the property is sold or no longer owner-occupied

HOME HELP

- To be eligible for HOME HELP, the borrower must be eligible for a targeted HOME HELP CASA initiative
- Borrower must have \$1,000 of their own funds in the transaction and have limited assets in order to qualify
- Deferred, interest-free loan available in an amount of \$10,000 depending on borrower eligibility
- Loan must be fully repaid within the first six years if the borrower sells or vacates the property
- 70% of the loan is forgiven after the sixth year and 30% is repaid when the loan matures, the first mortgage is refinanced, or the property is sold or no longer owner-occupied
- Cannot be used with the Homeownership Assistance Fund (HAF)

¹To view 60% of median income, please check our website at www.mnhousing.gov/resources/resources/limits/MHFA_004718.aspx or contact a Minnesota Housing participating lender

Homebuyer Education

Minnesota Housing requires Qualified Homebuyer Education for some loans prior to closing. Contact a Minnesota Housing participating lender for more information on this requirement. For information on Homebuyer Education, go to the Minnesota Home Ownership Center website at www.hocmn.org.